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July 30, 2003

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RON JONES

VIA E-MAIL AND REGULAR MAIL

AUG 1 2003

Mr. Steve Kraskin
Kraskin, Lessee & Cosson, LLP
2120 L. Street, NW, Suite 520
Washington, DC 20037

TN REGULATORY AUTHORITY

Re: Tennessee Interim Compensation Offer (TRA Docket No. 00-00523)

Dear Steve:

This letter confirms the wireless carriers' offer to the members of the Tennessee Rural Independent Coalition (the "Coalition") to establish a reciprocal interim compensation arrangement pending resolution of negotiations or arbitration and approval of such rates by the Tennessee Regulatory Authority ("TRA").¹ I am authorized to provide this offer to you by representatives of the following wireless carriers: AT&T Wireless Services, Sprint PCS, Cingular Wireless, Cellco Partnership d/b/a "Verizon Wireless," T-Mobile, US Cellular and Clear Talk (collectively, the "Wireless Carriers"). Consistent with the provisions of the mechanisms established by the Federal Communications Commission ("FCC") in 47 CFR section 51.715, the Wireless Carriers propose that the interim compensation arrangement include the following terms:

- ❖ *Interim Rate:* For the ILECs in the Tennessee Rural Coalition for which the TRA has established transport and termination rates based on forward looking costs, those rates should be used on an interim basis. For those ILECS for which the TRA has not

¹ Such negotiations are occurring pursuant to the wireless carriers' May 29, 2003 bona fide request for interconnection negotiations pursuant to section 251 of the Communications Act, as supplemented by the carriers' June 6, 2003 letter. (Copies of the letters are enclosed)

established such rates, we propose to use as the interim rate either: (i) the transport and termination rate established by the TRA for BellSouth and used by BellSouth prior to its adoption of the FCC's internet service provider ("ISP") rate; or (ii) the default rates established 47 CFR section 51.715(b)(3) (even though those rates have been invalidated, the Wireless Carriers would be willing to agree to pay them on an interim basis). The choice as to whether to select rate method (i) or (ii) would be made by the Tennessee Rural Coalition on behalf of all of its members. That selection would be applicable until the TRA establishes rates for the participating ILECs and would be subject to true-up, as further provided below. These rates would apply on a symmetrical, reciprocal basis to all traffic exchanged between the parties.

- ❖ *Traffic Ratio:* For purposes of the proposed interim compensation arrangement, parties will use a traffic factor of 65% mobile-originated-35% land-originated as the basis for reciprocal compensation. A Wireless Carrier or participating ILEC could request adjustment of this traffic ratio based on actual measured traffic.
- ❖ *Billing Period and De Minimis Exception:* Billing would be on a monthly basis. To avoid requiring the ILECs and the Wireless Carriers to send out bills for very small amounts, the parties agree that if the volume of traffic exchanged between any wireless carrier and any rural carrier is less than 10,000 minutes per month, traffic will be exchanged between those carriers on a bill and keep basis for that month.
- ❖ *True Up:* Pursuant to 47 CFR section 51.715(d) if the rates under this interim arrangement differ from the rates ultimately adopted by the TRA (pursuant to either a negotiated agreement or an arbitration) the rates will be subject to true up. The traffic factors will not, however, be subject to true up.
- ❖ *Effect on Existing Agreements:* An existing interconnection or traffic exchange agreement between a participating ILEC and a Wireless Carrier will continue in accordance with the existing terms and conditions contained within such agreement and will be unaffected by the interim compensation arrangement.

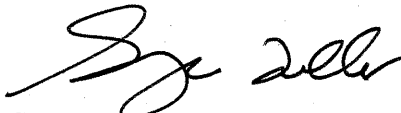
Please let us know at your earliest convenience whether the Coalition would like to enter the interim compensation arrangement proposed, and if so, which of the interim rate options the

Mr. Steve Kraskin
July 30, 2003
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Coalition chooses. The Coalition may accept this offer by signing below and indicating the rate option. Upon receipt of the Coalition's acceptance, the Wireless Carriers will consider the interim compensation arrangement to be in effect.

Very truly yours,

Davis Wright Tremaine LLP



Suzanne Toller
Counsel for AT&T Wireless

cc: Joelle Phillips, BellSouth
Hon. Ron Jones, Hearing Officer
Jill Mounsey, AT&T Wireless
Monica Barone, Sprint PCS
Elaine Critides, Verizon Wireless
Bill Brown, Cingular
Dan Menser, T-Mobile
Jim Nauman, US Cellular
Tom Sams, ClearTalk

Enclosure

Agreed and accepted:

Steven G. Kraskin, on behalf of the
Tennessee Rural Independent Coalition

Rate Option: _____

May 29, 2003

Delivered Via Federal Express and Electronic Mail

Ms. Joelle J. Phillips
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, Tennessee 37201-3300

Mr. Steve Kraskin
Kraskin, Lessee & Cosson, LLP
2120 L. Street, NW, Suite 520
Washington, DC 20037

Re: Docket No. 00-00523 – Generic Docket Addressing Rural Universal Service

Dear Ms. Phillips and Mr. Kraskin:

On May 5, 2003, the Pre-hearing Officer in the above-captioned docket issued an *Order Granting Conditional Stay, Continuing Abeyance, and Granting Interventions* ("Order"). The Pre-Hearing Officer ordered BellSouth Telecommunications, Inc. ("BellSouth") and the Tennessee Rural Independent Coalition (the "Coalition") to *inter alia* send correspondence to affected CMRS providers by May 12, 2003 notifying them of the opportunity to participate in collective negotiations with the Coalition. The Pre-Hearing Officer also ordered BellSouth and the Coalition to file status reports that would identify the carriers involved in the negotiations and include a summary of negotiations and any resolved issues.

Please consider this letter as the CMRS providers' acceptance to participate in collective negotiations consistent with the Pre-Hearing Officer's Order.¹ In this regard, "the receipt date of an acceptance from a CMRS provider or the CMRS providers collectively shall establish the date of receipt for the purpose of determining the time period contained in Section 252(b) to run."² Accordingly, the receipt date shall be May

¹ While BellSouth, the Coalition and some CMRS providers participated on a conference call May 19, 2003 to establish the first scheduled negotiation session, not all affected CMRS providers participated on that call. For purposes of this letter, the CMRS providers are AT&T Wireless, BellSouth Mobility LLC d/b/a Cingular Wireless, Cellco Partnership d/b/a Verizon Wireless and Sprint Spectrum d/b/a Sprint PCS.

² See *Order* at p. 6, fn 15.

30, 2003, one day after being delivered via overnight courier. If the parties are unable to resolve all issues prior to the statutory deadline contained in Section 252(b), either party may petition the TRA to arbitrate unresolved issues.

With respect to issues to be resolved, the parties who participated on the May 19, 2003 conference agreed to conduct their first negotiation session June 2-3, 2003. As proposed by Mr. Kraskin on behalf of the ICOs, the Parties further agreed that it would be beneficial to exchange a list of issues prior to that session. Attached to this letter, please find the list of issues CMRS providers believe must be resolved in order to reach an appropriate compensation agreement.

The CMRS providers look forward to participating in good faith negotiations with the Coalition and are hopeful that the parties can agree on an appropriate reciprocal compensation arrangement. Please let us know if you have any questions.

Sincerely,

Monica M. Barone

cc: Jill Mounsey
Suzanne Toller
Bill Brown
Gary Sanchez
Elaine Critides
Marc Sterling
Bill Pruitt

June 6, 2003

Delivered Via Federal Express and Electronic Mail

Mr. Steve Kraskin
Kraskin, Lessee & Cosson, LLP
2120 L. Street, NW, Suite 520
Washington, DC 20037

Re: Docket No. 00-00523 – Generic Docket Addressing Rural Universal Service

Dear Mr. Kraskin:

Consistent with our discussion during the initial negotiation session in Nashville on June 2-3, 2003, this is to confirm that the CMRS providers' letter dated May 29, 2003, should be considered the CMRS providers' request to the Tennessee Rural Independent Coalition (the "Coalition") for negotiations pursuant to section 251 of the Telecommunications Act.¹ In this regard, the CMRS providers expect the parties will negotiate all open issues between them and the statutory time lines shall apply to the negotiations. If the parties are unable to resolve all issues prior to the statutory deadline contained in Section 252(b), either party may petition the TRA to arbitrate unresolved issues.

It is the CMRS providers' understanding that either you on behalf of the Coalition members and/or the individual Coalition member companies will acknowledge our request and confirm whether they will participate in collective negotiations or wish to negotiate with each of the CMRS providers individually.

Should you have any questions, please do not hesitate to contact me at 913-315-9134.

Sincerely,

Monica M. Barone

cc: Jill Mounsey
Suzanne Toller
Bill Brown
Gary Sanchez
Elaine Critides
Marc Sterling
Bill Pruitt

¹ The start date for purposes of the statutory deadlines is date of receipt of the request which, in this case, was May 30, 2003.